

**Los Angeles County
Board of Supervisors**

Gloria Molina
First District

Mark Ridley-Thomas
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

John F. Schunhoff, Ph.D.
Interim Director

Gail V. Anderson, Jr., M.D.
Interim Chief Medical Officer

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213) 240-8101
Fax: (213) 481-0503

www.dhs.lacounty.gov

*To improve health
through leadership,
service and education.*



www.dhs.lacounty.gov

May 18, 2010

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENTS TO EXTEND
STRATEGIC INITIATIVE PROGRAM AGREEMENTS
(SUPERVISORIAL DISTRICTS 1, 2 AND 4)
(3 VOTES)**

SUBJECT

Approval of Amendments to the South Los Angeles Medical Services Preservation Fund Strategic Initiative Program Agreements with 15 providers to extend the term for one additional Fiscal Year from July 1, 2010 through June 30, 2011, with two optional one-year extensions.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Delegate authority to the Interim Director of Health Services (Interim Director), or his designee, to execute Amendments to the South Los Angeles Medical Services Preservation Fund Strategic Initiative Program Agreements (SIP) with 15 providers, effective on Board approval, for the continued provision of expanded access to primary, specialty and/or urgent care services, to: a) extend the term for the period July 1, 2010 through June 30, 2011; b) increase the maximum obligation of each agreement, by \$294,118, from \$794,118 to \$1,088,236, for a total amount not to exceed \$4,411,770 for all 15 agreements; and c) make additional changes to the Agreements to update contract provisions.


2. Delegate authority to the Interim Director, or his designee, to exercise the option to extend the SIP Agreements for up to two one-year terms through June 30, 2013, in the amount of \$294,118 per fiscal year for each agreement,

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

23

MAY 18, 2010


SACHI A. HAMAI
EXECUTIVE OFFICER

not to exceed \$4,411,770 per Fiscal Year (FY), subject to review and approval by County Counsel and the Chief Executive Office (CEO).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the first recommendation will allow the Interim Director, or his designee, to execute amendments (substantially similar to Exhibit I), with the 15 current contractors identified in Exhibit II, to extend the current SIP Agreements. This will allow for the continued provision of services to the uninsured residents of South Los Angeles.

Funding for these Agreements has been 100 percent offset by the South Los Angeles Medical Services Preservation Fund (Preservation Fund) that was established by Senate Bill 474 (SB 474) with the funding scheduled to sunset June 30, 2010.

Assembly Bill (AB) 2599 (Bass and Hall), introduced into the State Assembly on February 19, 2010, would ensure continuation of the Preservation Fund past the current sunset date. It is expected that this or a similar bill will pass the State legislature by the end of August 2010. The Department of Health Services (DHS or Department) is extending the contracts for FY 2010-11 prior to the passage of the bill in order to ensure continuity of services. If legislation to extend the Preservation Fund is not enacted and other funding is not designated for this purpose, DHS may exercise its option to terminate the Agreements with 30 days prior written notice. In the alternative, the Amendment format contains a provision that automatically terminates the Agreements, effective June 30, 2011, if the necessary funding for program is not forthcoming.

Approval of the second recommendation will allow the Interim Director, or his designee, to execute amendments with the 15 current contractors to extend the current SIP Agreements through June 30, 2013, subject to review and approval of County Counsel and CEO and availability of funds.

Implementation of Strategic Plan Goals

The recommended actions support Goal 4, Health and Mental Health of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The maximum obligation for FY 2010-11 is \$4,411,770, consisting of \$294,118 per contractor for each of the 15 SIP Agreements.

The maximum obligation levels remain the same for FYs 2011-12 and 2012-13 if funding is available.

Funding is included in the Department's FY 2010-11 Proposed Budget and will be included in future fiscal years should the Department exercise the option to extend the Agreements.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On October 17, 2007, Governor Arnold Schwarzenegger signed SB 474 into law which established a \$100.0 million annual Preservation Fund to reimburse Los Angeles County for costs of meeting health care needs of the population formerly serviced by Martin Luther King, Jr.-Harbor Hospital (MLK-Harbor Hospital). Funds were appropriated starting in FY 2007-08 to continue through June 30, 2010.

On July 15, 2008, your Board approved Agreements with 17 providers to implement the SIP as a result of a Request for Applications (RFA) process. Eligible applicants were PPP Program Strategic Partner providers within a 10-mile radius of MLK-Harbor Hospital, and Impacted Hospital Program contractors. One of the selected applicants withdrew prior to contract execution, resulting in 16 executed Agreements. The Agreements were effective from July 15, 2008 through June 30, 2009, with an option to extend the term for one additional year through June 30, 2010.

On July 14, 2009, your Board was notified that DHS was exercising its delegated authority to extend the term of 15 of the SIP Agreements for one additional year through June 30, 2010. One provider requested not to extend its agreement because it would not be able to see enough patients meeting the eligibility criteria during the term of the extension.

The Amendments include the recently adopted Defaulted Property Tax Reduction Ordinance language.

The Agreements may be terminated for convenience by the County upon 30 days prior written notice.

Exhibit II lists the current SIP Agreements that will be extended through June 30, 2011.

County Counsel has reviewed and approved Exhibit I as to use and form.

CONTRACTING PROCESS

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended actions will ensure the continuation of expanded primary, specialty, and urgent care services to low-income, uninsured South Los Angeles residents through the SIP.

The Honorable Board of Supervisors

5/18/2010

Page 4

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John F. Schunhoff". The signature is fluid and cursive, with a large initial "J" and "S".

JOHN F. SCHUNHOFF, Ph.D.

Interim Director

JFS:pmm

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

EXHIBIT I

Contract # H _____

**SOUTH LOS ANGELES MEDICAL SERVICES PRESERVATION FUND
STRATEGIC INITIATIVE PROGRAM AGREEMENT**

AMENDMENT NO. 2

THIS AMENDMENT is made and entered into this _____ day
of _____, 2010,

by and between

COUNTY OF LOS ANGELES
(hereafter "County"),

and

(hereafter "Contractor").

WHEREAS, reference is made to that certain document entitled "SOUTH LOS ANGELES MEDICAL SERVICES PRESERVATION FUND STRATEGIC INITIATIVE PROGRAM AGREEMENT", dated July 15, 2008, further identified as Agreement No. H-_____ (hereafter "Agreement"); and

WHEREAS, the Agreement provides that changes to its terms may be made in the form of a written amendment which is formally approved and executed by the parties; and

WHEREAS, the County desires to extend the Agreement term for one (1) additional year through June 30, 2011 with the option to extend for two (2) additional one-year periods through June 30, 2013, by the Director of the Department of Health Services, or his designee; and

WHEREAS, it is the intent of the parties hereto to amend the Agreement to extend the term for Strategic Initiative Program Services scheduled to expire on June 30, 2010 for one (1) additional year, through June 30, 2011 with the option to extend for two (2) additional one-year periods through June 30, 2013, and make the changes described hereinafter.

NOW, THEREFORE, the parties hereby agree as follows:

1. This Amendment shall be effective July 1, 2010.
2. Agreement Paragraph 1, TERM OF AGREEMENT, shall be replaced in its entirety with the following:

"1. TERM OF AGREEMENT:

A. This Agreement shall be effective July 15, 2008 and shall continue in full force and effect to and including June 30, 2011.

B. The Director of Health Services, or his designee, may extend the term of this Agreement for two (2) additional one-year periods through June 30, 2013, under the same terms and conditions in effect on June 30, 2011, unless terminated sooner in accordance with the termination provision herein."

3. Agreement Paragraph 2, MAXIMUM OBLIGATION, shall be replaced in its entirety with the following:

"2. MAXIMUM OBLIGATION

A. The total maximum obligation is Five Hundred Thousand Dollars (\$500,000) for the period of July 15, 2008, to June 30, 2009. If the Director and Contractor mutually agree to extend the term for one

additional year for the period, July 1, 2009 through June 30, 2010, or until the date of MLK-Harbor certification, whichever occurs first, the County's maximum obligation for the additional fiscal year shall not exceed Two Hundred Ninety-Four Thousand, One Hundred Eighteen Dollars (\$294,118).

B. The total maximum obligation for the period of July 1, 2010 through June 30, 2011 is Two Hundred Ninety-Four Thousand, One Hundred Eighteen Dollars (\$294,118). If the Director and Contractor mutually agree to extend the term for two (2) additional one-year periods, July 1, 2011 through June 30, 2012; and July 1, 2012 through June 30, 2013, the County's maximum obligation for the additional fiscal years shall not exceed Two Hundred Ninety-Four Thousand, One Hundred Eighteen Dollars (\$294,118) per fiscal year."

4. Agreement Paragraph 3, TERMINATION OF AGREEMENT, subparagraph A, shall be replaced in its entirety with the following:

"A. Notwithstanding any other provision in this Agreement, this Agreement shall be effective and binding upon the parties in each subsequent County fiscal year, July 1 - June 30, only, or any portion thereof, in the event that funds for the purposes hereof are appropriated for such County fiscal year by County's Board. If such funds are not so appropriated, Agreement shall be deemed to have terminated as of midnight, June 30 of the prior fiscal year. Additionally, this Agreement shall be effective and binding upon the parties in each subsequent County fiscal year, July 1 - June 30, only, or any portion

thereof, in the event that funds for the purposes here of are provided for the County by the State and/or Federal governments. If such funds are not so provided, this Agreement shall be deemed to have terminated as of midnight, June 30, or the prior fiscal year."

5. Agreement Exhibit A.2, "STRATEGIC INITIATIVE PROGRAM SCOPE OF WORK - FISCAL YEAR 2010-2011", shall be added to the Agreement attached hereto and incorporated herein as reference.

6. Agreement "SCHEDULE 3" shall be added to the Agreement attached hereto and incorporated herein as reference.

7. All Agreement references to Exhibit A, "STRATEGIC INITIATIVE PROGRAM SCOPE OF WORK – FISCAL YEAR 2008-09" and Exhibit A.1 "STRATEGIC INITIATIVE PROGRAM SCOPE OF WORK – FISCAL YEAR 2009-10", shall now be understood to reference and include Exhibit A.2 "STRATEGIC INITIATIVE PROGRAM SCOPE OF WORK – FISCAL YEAR 2010-2011".

8. All Agreement references to "SCHEDULE 1" and "SCHEDULE 2", shall now be understood to reference and include "SCHEDULE 3".

9. Paragraph 20, CONTRACTOR'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM, shall be added to Agreement as follows:

"20. CONTRACTOR'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

A. Contractor acknowledges that County has established a goal of ensuring that all individuals and businesses that benefit financially from County

through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

B. Unless Contractor qualifies for an exemption or exclusion, Contractor warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this contract will maintain compliance, with Los Angeles Code Chapter 2.206."

10. Paragraph 21, TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM, shall be added to Agreement as follows:

"21. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

Failure of Contractor to maintain compliance with the requirements set forth in Paragraph 20, Contractor's Warranty of Compliance with County's Defaulted Property Tax Reduction Program, shall constitute default under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure of Contractor to cure such default within ten (10) days of notice shall be grounds upon which County may terminate this Agreement and/or pursue debarment of Contractor, pursuant to County Code Chapter 2.206."

11. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

/

Director of Health Services, and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
John F. Schunhoff, Ph.D.
Interim Director

Contractor

By _____
Signature

Printed Name

Title _____
(AFFIX CORPORATE SEAL)

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL

**COUNTY OF LOS ANGELES – DEPARTMENT OF HEALTH SERVICES
SOUTH LOS ANGELES MEDICAL SERVICES PRESERVATION FUND**

FISCAL YEAR 2010 - 2011

STRATEGIC INITIATIVE PROGRAM CONTRACTORS

Contractor/ Agreement Number	Contact	Agency Headquarters Address	Service Location(s)	Service Type(s)	FY 2010- 2011 Maximum Obligation
Central City Community Health Center Agreement No. H-703493	Gilbert Varela, MD, MPH, CEO	5230 East Beverly Blvd. Los Angeles, CA 90022	5970 S. Central Ave. Los Angeles, CA 90001	Primary Care	\$294,118
Clinica Monseñor Oscar A. Romero Agreement No. H-703484	Albert Pacheco, Ph.D, CEO	123 S. Alvarado Street Los Angeles, CA 90027	2032 Marengo Street Los Angeles, CA 90033	Primary Care Specialty Care	\$294,118
Eisner Pediatric & Family Medical Center Agreement No. H-703489	Carl Coan, Pres/CEO	1530 South Olive Street Los Angeles, CA 90015	1530 South Olive Street Los Angeles, CA 90015	Primary Care Specialty Care	\$294,118
JWCH Institute, Inc. Agreement No. H-703487	Al Ballesteros, CEO	1910 West Sunset Blvd., Suite 650 Los Angeles, CA 90026	<i>Bell Gardens</i> 6912 Ajax Ave. Bell Gardens, CA, 90201 <i>Norwalk</i> 12360 Firestone Blvd. Norwalk, CA, 90650 <i>Lynwood</i> 3624 Martin Luther King Jr. Blvd. Lynwood, CA 90262 3591 E. Imperial Hwy Lynwood, CA 90262	Primary Care Specialty Care	\$294,118
Northeast Community Clinic Agreement No. H-703503	Christopher Lau, MD, CEO	1414 Grand Avenue Los Angeles, CA 90015	<i>California Family Care Clinic</i> 1414 South Grand Ave. Los Angeles, CA 90015	Primary Care Urgent Care	\$294,118

**COUNTY OF LOS ANGELES – DEPARTMENT OF HEALTH SERVICES
SOUTH LOS ANGELES MEDICAL SERVICES PRESERVATION FUND**

FISCAL YEAR 2010 - 2011

STRATEGIC INITIATIVE PROGRAM CONTRACTORS

Contractor/ Agreement Number	Contact	Agency Headquarters Address	Service Location(s)	Service Type(s)	FY 2010- 2011 Maximum Obligation
South Bay Family Healthcare Center Agreement No. H-703485	Jan Hamilton-Lee, MHA, CEO	23430 Hawthorne Blvd., Suite 210 Torrance, CA 90505	<i>Gardena/Harbor Gateway</i> 746 W. Gardena Blvd. Gardena, CA 90247 <i>Inglewood/Dr. Claudia Hampton Clinic</i> 1091 La Brea Ave. Inglewood, CA 90301 <i>Redondo Beach</i> 2114 Artesia Blvd. Redondo Beach, CA 90278.	Primary Care	\$294,118
South Central Family Health Center Agreement No. H-703499	Richard Veloz, MPH, JD, CEO	4425 South Central Avenue Los Angeles, CA 90011	<i>South Central Family Health Center</i> 4425 S. Central Avenue Los Angeles, CA 90011 <i>The Accelerated School (School Based Clinic)</i> 4000 S. Main Street Los Angeles, CA 90037	Primary Care	\$294,118
St. Francis Medical Center Agreement No. H-703838	Gerald Kozai, Pres/CEO	3630 East Imperial Highway Lynwood, CA 90262	<i>Compton</i> 457 S. Long Beach Blvd. Compton, CA 90221 <i>De Novo</i> 803 E. Rosecrans Ave. Compton, CA 90221	Primary Care	\$294,118

**COUNTY OF LOS ANGELES – DEPARTMENT OF HEALTH SERVICES
SOUTH LOS ANGELES MEDICAL SERVICES PRESERVATION FUND**

FISCAL YEAR 2010 - 2011

STRATEGIC INITIATIVE PROGRAM CONTRACTORS

Contractor/ Agreement Number	Contact	Agency Headquarters Address	Service Location(s)	Service Type(s)	FY 2010- 2011 Maximum Obligation
St. John's Well Child & Family Center Agreement No. H-703488	Jim Mangia, CEO	5701 South Hoover Street Los Angeles, CA 90037	<i>Dr. Louis Frayser Community Clinic</i> 5701 S. Hoover St. Los Angeles, CA 90037 5801 S. Hoover Street Los Angeles, CA 90044 <i>Downtown Clinic</i> 1910 Magnolia St. Los Angeles, CA 90007 <i>Compton Clinic</i> 2115 S. Wilmington Ave. Compton, CA 90222 <i>Hyde Park School and Family Clinic</i> 6505 S. 8 th Avenue Los Angeles, CA 90043 <i>Lincoln High School Clinic</i> 2512 Alta St. Los Angeles, CA 90031	Primary Care Specialty Care Urgent Care	\$294,118
T.H.E. Clinic Agreement No. H-703486	Risë K. Phillips, MPH, MBA, CEO	3834 South Western Ave Los Angeles, CA 90062	3834 South Western Avenue Los Angeles, CA 90062	Primary Care	\$294,118

**COUNTY OF LOS ANGELES – DEPARTMENT OF HEALTH SERVICES
SOUTH LOS ANGELES MEDICAL SERVICES PRESERVATION FUND**

FISCAL YEAR 2010 - 2011

STRATEGIC INITIATIVE PROGRAM CONTRACTORS

Contractor/ Agreement Number	Contact	Agency Headquarters Address	Service Location(s)	Service Type(s)	FY 2010- 2011 Maximum Obligation
The Children's Clinic, "Serving Children and Their Families" Agreement No. H-703501	Elisa Nicholas, MD, MPH, CEO	2801 Atlantic Avenue Long Beach, CA 90806	<p><i>S. Mark Taper Foundation Children's Clinic Family Health Center</i> 455 Columbia St., Suite 201 & 6 Long Beach, CA 90806</p> <p><i>The Vasek Polak Children's Clinic Family Health Center</i> 1057 Pine Ave. Long Beach, CA 90813</p> <p><i>The Children's Clinic Family Health Center in North Long Beach at Hamilton Middle School</i> 1060 E. 70th St. Long Beach, CA 90805</p> <p><i>The Children's Clinic Family Health Center at Cesar Chavez Elementary School</i> 730 W. Third St. Long Beach, CA 90805</p> <p><i>The Children's Clinic at International Elementary School</i> 700 Locust Ave. Long Beach, CA 90813</p> <p><i>The Children's Clinic at Long Beach Multi-Service Center for the Homeless</i> 1301 W. 12th Street Long Beach, CA 90803.</p>	Primary Care	\$294,118

**COUNTY OF LOS ANGELES – DEPARTMENT OF HEALTH SERVICES
SOUTH LOS ANGELES MEDICAL SERVICES PRESERVATION FUND**

FISCAL YEAR 2010 - 2011

STRATEGIC INITIATIVE PROGRAM CONTRACTORS

Contractor/ Agreement Number	Contact	Agency Headquarters Address	Service Location(s)	Service Type(s)	FY 2010- 2011 Maximum Obligation
UMMA Community Clinic (University Muslim Medical Association) Agreement No. H-703483	Yasser Aman, MPH, Pres/CEO	711 West Florence Avenue Los Angeles, CA 90044	711 W. Florence Ave Los Angeles, CA 90044	Primary Care	\$294,118
Watts Healthcare Corporation Agreement No. H-703491	William Hobson, MS, Pres/CEO	10300 Compton Avenue Los Angeles, CA 90002	<i>Watts Health Center</i> 10300 Compton Ave. Los Angeles, CA 90002	Urgent Care	\$294,118
White Memorial Medical Center Agreement No. H-703494	Beth D. Zachary, President/Chief Executive Officer	1720 Cesar Chavez Avenue Los Angeles, CA 90033	<i>(WMMC) Family Health Center</i> 1701 Cesar Chavez Ave., Suite 230 Los Angeles, CA 90033	Primary Care Urgent Care	\$294,118
Wilmington Community Clinic Agreement No. H-703492	Dolores Bonilla Clay, CEO	1009 North Avalon Blvd., Wilmington, CA 90744	<i>Wilmington Community Clinic</i> 1009 North Avalon Blvd. Wilmington, CA 90744 <i>Harbor UCLA Medical Foundation, Inc.</i> <i>Division of Obstetrics and Gynecology</i> 21840 Normandie Ave. Los Angeles, CA 90502 <i>Mary Henry Community Clinic</i> 10901 South Vermont Ave. Los Angeles, CA 90044	Primary Care Specialty Care Urgent Care	\$294,118
Total					\$4,411,770